

Message Text

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70

ACTION NEA-10

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TAGS: ENRG, IS

SUBJECT: ISRAELI OIL DEVELOPMENTS

1. SUMMARY: DIRECTOR OF NETIVEI NEPHT REVIEWED FOR EMBOFFS ISRAELI OPERATION OF SINAI OIL FIELDS AND EXPRESSED SATISFACTION WITH SMOOTH TURNOVER OF RAS SUDAR. HE REITERATED ISRAELI HOPE TO FIND OIL ALONG MEDITERRANEAN COAST. END SUMMARY.

2. IN OCT. 17 MEETING WITH EMBOFFS, MICHAEL KISCH, MANAGING DIRECTOR OF NETIVEI NEPHT (ISRAELI COMPANY OPERATING OCCUPIED SINAI OIL FIELDS), SAID THAT ISRAEL IS PLEASED THAT RAS SUDAR TURNOVER PROCEEDED SMOOTHLY, AND HOPED THAT IT WOULD PROVIDE FAVORABLE PRECEDENT FOR TURNOVER OF ABU DORDIS FIELDS IN NOVEMBER. KISCH DENIED ISRAELI NEWSPAPER REPORTS THAT THERE WOULD BE DIRECT CONTACT BETWEEN EGYPTIAN AND ISRAELI TECHNICIANS AT ABU RODEIS, EXPLAINING THAT FALSE REPORTS ORIGINATED THROUGH HIS REFUSAL IN NEWS INTERVIEW TO IDENTIFY PUBLICITY-SHY ITALIANS AS ACTUAL INTERMEDIARIES.

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3. KISCH SAID THAT EGYPTIANS AND ISRAELIS HAD "AGREED TO DISAGREE" IN GENEVA OVER INTERPRETATION OF WHAT EQUIPMENT AND CIVILIAN INFRASTRUCTURE MATERIAL ISRAEL WOULD LEAVE IN PLACE IN OIL FIELDS. ISRAELIS HAD IN FACT GIVEN EGYPTIANS A LIST OF MATERIAL TO BE LEFT BEHIND AND THEY DID NOT ANTICIPATE PROBLEMS OVER THIS ISSUE.

4. ABU RODIES RESERVES ARE ESTIMATED TO LAST FOR 8-12 MORE YEARS, ONE ESTIMATE COMING FROM TECHNION UNIVERSITY COMPUTER PROGRAM, ANOTHER FROM NEW YORK FIRM. PLATFORM DAMAGED JANUARY 1974 BY HAWK MISSILE WILL NOT BE COMPLETELY REPAIRED WHEN TURNED OVER TO EGYPT. UNDERWATER RIGGING TO LINK PLIES UPON WHICH PLATFORM WILL REST IS 70 PERCENT COMPLETED AND WILL BE LEFT ON BEACH AT ABU ZANIMAH. KISCH SAID THAT WORK ON PLATFORM SCHEDULED FOR COMPLETION JULY 75 HAD BEEN SLOWED LAST SPRING WHEN INTERIM AGREEMENT BEGAN TO TAKE SHAPE. ISRAEL WAS UNWILLING TO MAKE FURTHER LARGE CAPITAL INVESTMENT SIMPLY TO RETURN RESTORED PLATFORM TO EGYPTIANS. OF FOUR WELLS PLATFORM SERVES, ONE IS FUNCTIONING AND PRODUCING ONE-THIRD TOTAL CAPACITY OF RESTORED PLATFORM.

5. WHEN ASKED IF ISRAELIS HAD MADE ANY NEW DISCOVERIES DURING OPERATIONS AT ABU RODIES, KISCH SAID THAT THERE WERE NONE BECAUSE IT HAD BEEN ISRAELI POLICY NOT TO EXPLORE IN THAT AREA. RESPONDING TO QUESTION WHETHER THERE HAVE BEEN EXPLORATIONS IN AT TUR AREA, KISCH DESCRIBED AREA AS VERY PROMISING BUT DECLINED FURTHER COMMENT. HE SAID THERE WERE REPORTS THAT DEMINEX AND AMOCO HAVE MADE SIGNATURE CONTRACTS WITH EGYPT FOR EXPLORATION RIGHTS IN AT TUR AREA BUT HE WONDERED IF REPORTS WERE TRUE AS IT DID NOT SEEM WISE FOR COMPANY TO CONTRACT WITH A GOVERNMENT NOT IN CONTROL OF AREA IN QUESTION. (KISCH HAD LARGE WALL MAP, WHICH PREPARED BY EUROPEAN OIL FIRM AND DATED JAN. 1975, SHOWING EGYPTIAN EXPLORATION AGREEMENTS BY COMPANY FOR ENTIRE LENGTH OF GULF OF SUEZ INCLUDING SHARM-EL-SHEIKH.) HE REMARKED THAT PRESENT RABIN GOVERNMENT LIMITED OFFICIAL USE

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MENT HAD DECIDED SIX MONTHS AGO TO MAKE MAJOR EFFORT TO FIND OIL.

6. KISCH CATEGORICALLY DENIED ISRAELI NEWSPAPER REPORTS THAT NEW SINAI EXPLORATION COMPANY WILL BE SET UP WITH HIMSELF AS HEAD. ANY SINAI EXPLORATION WILL BE DONE WITHIN FRAMEWORK OF PRESENT OIL COMPANIES, HE SAID. AS FOR HIS OWN FUTURE, HE PLANNED TO TAKE

LONG VACATION AFTER NOVEMBER FOLDING OF NETIVEI NEPHT,
BUT WOULD PROBABLY LOOK SOMEWHERE IN OIL INDUSTRY
FOR FUTURE JOB. KISCH VERIFIED NEWS REPORTS THAT
CANADIAN OIL WORKERS CONTRACTED FOR ABU RODEIS WOULD
BE KEPT ON FOR WORK ELSEWHERE.

7. KISCH DESCRIBED OIL PROSPECTS IN ARAVA VALLEY
AND DEAD SEA AREA AS "NOT PROMISING" ALTHOUGH
"GEOLOGISTS APPEAR TO BE UNABLE TO AGREE ON ANYTHING."
MEDITERRANEAN COASTLINE, HE SAID, IS MORE PROMISING,
PARTICULARLY THE SOUTHERN PART AS FAR AS EL ARISH.
TOON

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